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BANKING, HOUSING,  
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FINANCE

VETERANS' AFFAIRS

# United States Senate

WASHINGTON, DC 20510 - 3505

May 9, 2018

The Honorable Joseph Simons  
Chairman  
Federal Trade Commission  
600 Pennsylvania Avenue NW  
Washington, DC 20580

Dear Mr. Simons:

I write to request that the Federal Trade Commission (FTC) conduct an investigation into Discovery Tours, a company primarily engaged in the business of providing long-distance, out-of-state field trips for Ohio school students.

Last week, Discovery Tours abruptly cancelled a pre-paid trip for over 500 middle school students from Mentor, Ohio – just hours before their scheduled departure. Since that time, the company suspended operations and cancelled all future trips, a decision that impacts as many as thirty other Ohio school districts – and thousands of students and parents – that have scheduled or paid for trips with Discovery Tours. Upon shutting down, the company did not provide any refunds – or a plan to issue refunds – for payments received for trips not yet taken. Instead, the company filed for bankruptcy this week, and has yet to publicly account for over \$232,000 collected for the Mentor schools trip and the potentially millions of dollars collected from other schools for trips the company will not conduct.

Further, there are reports that school officials contacted the transportation and lodging companies that were supposed to provide services as part of the Discovery Tours trips, only to learn that Discovery Tours never paid those companies for the upcoming trips. If these reports are accurate, Discovery Tours possibly knew that it would not perform the services for which it received money and continued to collect money for trips that it knew it would not be able to conduct. This is highly disturbing and warrants an examination into whether Discovery Tours engaged in any unfair or deceptive acts or practices.

Prior to its bankruptcy filing, Discovery Tours released no information to school officials, parents, or to the public, other than an email notifying one school district of all future cancellations. The company did not respond to repeated attempts by Ohio school officials and parents to obtain more information and clarity about the status of the planned trips and the money paid for those trips.

State prosecutors are already looking into Discovery Tours' actions. The Ohio Attorney General's office is investigating nearly 500 complaints about the company, and at least two Ohio county prosecutor offices – Summit County and Geauga County – reportedly launched

investigations as well. While state prosecutors will thoroughly review this matter and enforce Ohio law, I have requested the United States Attorney's Office for the Northern District of Ohio to investigate this matter as well. And I urge the FTC to exercise its authority to also conduct a review.

I, like the thousands of Ohioans potentially affected by these events, am deeply concerned with the actions of Discovery Tours. Beyond the disturbing reality that hundreds of students will likely miss long-awaited school trips, is the fact that a company allegedly received hundreds of thousands of dollars – and possibly millions – from Ohio families for services that the company will not provide. And the company has failed to provide any information as to when or if the money it received will be returned to those hardworking men and women. This is unacceptable and the affected school districts, parents, and students deserve answers as to what happened to their money.

Therefore, I request the FTC to open an investigation into Discovery Tours and the payments it received for school trips that have yet to be completed. I have full confidence that your office can conduct a complete and thorough investigation to determine whether the company or anyone acting on its behalf violated any federal laws in conducting its business.

I appreciate your attention to this matter and look forward to your response.

Sincerely,



Sherrod Brown  
United States Senator

cc: The Honorable Maureen Ohlhausen, Commissioner  
The Honorable Noah Phillips, Commissioner  
The Honorable Rohit Chopra, Commissioner  
The Honorable Rebecca Slaughter, Commissioner